

ARTICLE 48:02

VIDEO LOTTERY REQUIREMENTS

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CHAPTER 48:02:01

GENERAL PROVISIONS

Section

48:02:01:01 Definitions.

48:02:01:01. Definitions. In addition to the terms defined by SDCL 42-7A-1, terms used in this article are defined as follows:

- (1) "Applicant," a person applying for any video lottery license;
- (2) "Background investigation," a security and credit check of an applicant for a video lottery license;
- (3) "Commission," the South Dakota lottery commission;
- (4) "Control," the possession of power to direct or cause the direction of the management and policies of an applicant or licensee through the ownership of voting securities, by contract or otherwise;
- (5) "Costs," sums of money charged applicants or licensees to reimburse the lottery for the actual expenses incurred in the testing and examination of video lottery machines and background investigations;
- (6) "Display," visual presentation of video lottery game features shown on the screen of a video lottery machine;
- (7) "Distributor," ~~an~~ any individual, entity, partnership, corporation, or association that distributes or sells video lottery machines or associated equipment in the state;

(8) "License," authorization granted by the lottery permitting an applicant to engage in the defined activities of video lottery;

(9) "Licensed establishment" or "establishment," any establishment owned or managed by an individual, partnership, corporation, or association licensed to sell alcoholic beverages for consumption on the premises where sold;

(10) "Manufacturer," ~~an~~ any individual, entity, partnership, corporation, or association that assembles or produces video lottery machines or associated equipment for sale or use in this state;

(11) "Operator," ~~an~~ any individual, entity, partnership, corporation, or association that places video lottery machines or associated equipment for public use in this state;

(12) "Own," any record of beneficial interest in the property or business of an applicant or licensee;

(13) "Player," a person who participates in a video lottery game displayed on a video lottery machine;

(14) "Service agent," an operator or an employee or agent of an operator qualified as a Type II technician to perform service, maintenance, and repair on video lottery machines in the state;

(15) "Type I technician," an operator or an employee or service agent of an operator or an owner, manager, or employee of an establishment who is qualified to perform basic service, maintenance, and repair on video lottery machines in the state;

(16) "Type II technician," an operator or an employee or service agent of an operator who is qualified to perform major machine repair, enrollment, communications, and diagnostic testing on video lottery machines in the state;

(17) "Video lottery game," electronically simulated games of chance approved by the commission that are displayed and played on licensed video lottery machines; and

(18) "Wager," a sum of money or thing of value risked on an uncertain occurrence.

Source: 16 SDR 27, effective August 18, 1989; 21 SDR 219, effective June 26, 1995.

General Authority: SDCL 42-7A-21.

Law Implemented: SDCL 42-7A-1.

CHAPTER 48:02:08

VIDEO LOTTERY MACHINE HARDWARE AND SOFTWARE REQUIREMENTS

Section

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48:02:08:09 Software requirements for line-up games.

48:02:08:01. Hardware specifications. Each video lottery machine licensed for placement in the state must meet the following hardware specifications:

(1) Electrical and mechanical parts and design principles may not subject a player to physical hazards;

(2) A surge protector must be installed on the line that feeds power to the machine. The battery backup or an equivalent for the electronic meters must be capable of maintaining accuracy of all information required in SDCL 42-7A-37(5) and (6) for 180 days after power is discontinued from the machine. The backup device shall be kept within the locked logic board compartment;

(3) An on/off switch that controls the electrical current used in the operation of the machine and any associated equipment must be located in an accessible place within the interior of the machine;

(4) The operation of each machine may not be adversely affected by static discharge or other electromagnetic interference;

(5) An electronic or mechanical coin acceptor may be installed on any video lottery machine approved after July 1, 2003. Each video lottery machine approved after July 1, 2003, may contain a bill acceptor that accepts one-dollar bills, five-dollar bills, ten-dollar bills, twenty-dollar bills, fifty-dollar bills, and one hundred-dollar bills. The bill acceptors may be for any single bill or combination of bills in the denominations listed in this subdivision. Approval letters and test reports of the coin and bill acceptors from other state or federal jurisdictions may be submitted. However, all coin and bill acceptors are subject to approval by the lottery;

(6) The internal space of a video lottery machine may not be readily accessible when the front door is both closed and sealed;

(7) Logic boards and software Eproms (computer chips that store memory) must be in a separate, locked area within the machine;

(8) The cash compartment must be contained in a locked area within or attached to the machine;

(9) No hardware switches may be installed that alter the pay tables or payout percentages in the operation of a game. Hardware switches may be installed to control graphic routines, speed of play, and sound;

(10) A single printing mechanism must be capable of printing an original ticket and retaining a legible copy within the machine or create an electronic copy on a self-contained internal or external medium prior to the continuation of game play. The ticket must record the following information when credits accrued on the video lottery machine are redeemed for cash:

(a) The number of credits;

(b) Value of the credits in dollars and cents displayed in both numeric and written form; and

(c) Any other information required by SDCL 42-7A-37(5);

(11) An unremovable identification plate must appear on the exterior of the machine that contains the following information:

(a) Manufacturer;

(b) Serial number; and

(c) Model number;

(12) The rules of play for each game must be displayed on the machine face or screen. The lottery may reject the rules if they are incomplete, confusing, or misleading. Each game must also display the credits wagered and the credits awarded for the occurrence of each possible

winning hand based on the number of credits wagered. A video lottery machine may not allow more than \$2 to be played on a game or award free games or credits in excess of ~~the following amounts wagered:~~ one thousand dollars per bet.

~~(a) \$25 for each 5 cents played;~~

~~(b) \$50 for each 10 cents played; and~~

~~(c) \$125 for each 25 cents played.~~

All information required by this subdivision must be kept under glass or another transparent substance and at no time may stickers or other removable devices be placed on the machine face;

(13) Equipment must be installed that enables the machine to communicate with the lottery's central computer system, as required in SDCL 42-7A-37(7), using a communications protocol provided to each licensed manufacturer by the lottery for the information and control programs approved by the commission;

(14) Instant tickets may be dispensed from a machine, provided the machine is submitted and approved by the lottery pursuant to § 48:02:08:02; and

(15) The legal age requirement in SDCL 42-7A-48 for a person to play a machine must be displayed on the machine face under glass or on an unremovable plate on the front exterior of the machine.

Source: 16 SDR 27, effective August 18, 1989; 17 SDR 51, effective October 8, 1990; 29 SDR 176, effective June 30, 2003; 37 SDR 215, effective May 31, 2011; 39 SDR 100, effective December 5, 2012.

General Authority: SDCL 42-7A-1(16), 42-7A-21(10).

Law Implemented: SDCL 42-7A-21(10), 42-7A-37, 42-7A-38.